GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:3537
ANSWERED ON:22.12.2004
SALE OF COAL
Barad Shri Jashubhai Dhanabhai

Will the Minister of COAL be pleased to state:

(a) whether the Government has decided to allow State Public Sector Undertakings to take up coal mining outside their State boundaries and sell it in the open market;

(b) if so, whether the States having no substantial coal reserves can actually start operation in coal rich States such as Gujarat;

(c) if so, the details thereof ; and

(d) the assistance provided by the Government to the States in this regard ?

Answer

MINISTER OF STATE FOR COAL (DR. DASARI NARAYANA RAO)

(a) to (c): Under the Coal Mines (Nationalisation) Act, 1973 a Government company can do commercial coal mining. Government companies include both State Government companies and the Central Government companies. The mining policy decided by the Central Government in May, 1979 allowed coal mining to State Government companies with , among other things, the restriction to work only isolated and small reserves. However, the policy has been revised in December, 2001 and under the revised coal mining policy, State Government companies or Undertakings can do mining of coking and non-coking coal or lignite reserves, either by opencast or underground method, anywhere in the country, without the earlier restriction of isolated small pockets.

(d): As per the revised mining policy no financial assistance from the Central Government will be provided to the company for coal mining in the concerned area, nor the coal mines operated by a State Government company will be taken over by the Central Government in the event of closure of such a mine or otherwise.